

**CONFLICT OF INTEREST CODE
OF
ALBERT EINSTEIN ACADEMIES**

1. Standard Code of FPPC

The Political Reform Act of 1974 (Government Code § 81000 *et seq.*) requires each state and local government agency to adopt and promulgate a conflict of interest code. As a local government agency, Albert Einstein Academies is therefore required to adopt such a code. The Fair Political Practices Commission ("FPPC") has adopted a regulation (2 Cal. Code of Regs. § 18730) which contains the terms of a model conflict of interest code, which can be incorporated by reference as an agency's code. After public notice and hearing, the regulation may be amended by the FPPC to conform to amendments in the Political Reform Act.

2. Adoption of Standard Code of FPPC

The terms of 2 Cal. Code of Regs. § 8730 and any future amendments to it duly adopted by the FPPC are hereby adopted and incorporated herein by reference. This regulation and the Appendix attached hereto designating officials and employees and establishing disclosure categories shall constitute the Conflict of Interest Code of Albert Einstein Academies. This code shall take effect when approved by the Board of Supervisors for the County of San Diego, and shall thereupon supersede any and all prior codes adopted by Albert Einstein Academies.

3. Filing of Statements of Economic Interests

Pursuant to Section 4 of the model code set forth in 2 Cal. Code of Regs. § 18730(b), designated employees set forth in the Appendix shall file statements of economic interests (Form 700) with the Secretary of Albert Einstein Academies. Upon receipt of the statements of the members of the Board of Trustees, the Secretary shall make and retain copies and forward the originals of these statements to the Clerk of the Board of Supervisors for the County of San Diego. Statements for all other designated employees shall be retained by the Secretary.

APPROVED AND ADOPTED by the Board of Trustees of Albert Einstein Academies on the 15 day of Feb., 2006.

Luci R. Fawers

President, Albert Einstein Academies

ATTEST:

Secretary, Albert Einstein Academies

**DECLARATION OF PRESIDENT OF
ALBERT EINSTEIN ACADEMIES
REGARDING ADOPTION OF CONFLICT OF INTEREST CODE**

I, Luci Fowers, hereby declare:

I am the President of Albert Einstein Academies, a California charter school and a nonprofit public benefit corporation.

On May 31, 2006, the Board of Trustees of Albert Einstein Academies considered the proposed Conflict of Interest Code. The proposed Code designates the officers, employees and consultants who make governmental decisions and exercise responsibility for the management of Albert Einstein Academies' investments.

The Board of Directors set April 14, 2006, for a public hearing, if requested, and for final adoption of the Conflict of Interest Code. Thereafter, notice of intent to adopt the Conflict of Interest Code was published on February 22, 2006, [THIS SHOULD BE SHORTLY AFTER THE TENTATIVE ADOPTION] in a newspaper of general circulation in San Diego County. I also posted a notice of intent to adopt the Conflict of Interest Code on February 21, 2006, [on all Albert Einstein Academies employee bulletin boards OR employee newsletter.]

On April 14, 2006, at the time and place set forth in the notice, [a public hearing was held on the proposed Conflict of Interest Code. No person appeared at the public hearing, and no written comments were received. Accordingly, the hearing was thereupon closed and] the Board of Trustees adopted the Conflict of Interest Code and directed that it be submitted to the San Diego County Board of Supervisors as the code reviewing body.

Dated: May 31, 2006

Luci R. Fowers

Luci Fowers, President

**APPENDIX TO
CONFLICT OF INTEREST CODE OF
ALBERT EINSTEIN ACADEMIES**

Preamble

Any person designated in Section I of this Appendix who is unsure of any right or obligation arising under this Code may request a formal opinion or letter of advice from the FPPC or an opinion from Albert Einstein Academies' General Counsel. (Gov. Code § 83114; 2 Cal. Code of Regs. § 18730(b)(11).) A person who acts in good faith in reliance on an opinion issued to him or her by the FPPC shall not be subject to criminal or civil penalties for so acting, provided that all material facts are stated in the opinion request. (Gov. Code § 83114(a).)

Opinions rendered by General Counsel do not provide any statutory defense to an alleged violation of conflict of interest statutes or regulations. The prosecuting agency may, but is not required to, consider a requesting party's reliance on General Counsel's opinion as evidence of good faith. In addition, Albert Einstein Academies may consider whether such reliance should constitute a mitigating factor to any disciplinary action that Albert Einstein Academies may bring against the requesting party under Gov. Code § 91003.5.

I.

Designated Employees

<u>Designated Employees</u>	<u>Categories Disclosed</u>
Members of the Board of Trustees	All
President, Albert Einstein Academies	All
Secretary, Albert Einstein Academies	All
Executive School Director	All
CFO/Treasurer, Albert Einstein Academies	All
General Counsel	All
Consultants ¹	--

¹ With respect to consultants, the President may determine in writing that a particular consultant, although a "designated employee," is hired to perform a range of duties that is limited in scope and thus is not required to comply with the written disclosure requirements described in these categories. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The President's determination is a public record and shall be retained for public inspection by Albert Einstein Academies in the same manner as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

Disclosure Categories

Category 1. All-Inclusive Reportable Investments

A designated employee in this category shall report all reportable investments, as defined in Gov. Code § 82034, in business entities located in, doing business in, planning to do business in, or having done business in the previous two (2) years in San Diego County which operate or provide any of the following:

- Accounting or auditing services
- Banks and savings and loans
- Computer hardware or software, or computer services or consultants
- Communications equipment or services
- Educational services, supplies and materials
- Entities or persons who have filed claims against Albert Einstein Academies or have claims pending against Albert Einstein Academies
- Insurance brokers and agencies
- Insurance adjusting, claims auditing or administration, or underwriting services
- Office equipment or supplies
- Personnel and employment companies and services
- Printing or reproduction services, publications, and distribution
- Securities, investment or financial services companies
- Title insurance and escrow

Category 2. Reportable Interests in Real Property

A designated employee in this category shall disclose all interests in real property, as defined in Gov. Code §§ 82033 and 82035, that is

(a) within or not more than two (2) miles outside the boundaries of San Diego County that has situated on it any business entity named in category no. 1 above; or

(b) within two (2) miles of any facility or real property owned or used by Albert Einstein Academies.

Category 3. Reportable Income

A designated employee in this category shall disclose all income as defined in Government Code § 82030 of the designated employee from the below-listed sources located in, doing business in, planning to do business in, or having done business in the previous two (2) years in San Diego County during the reporting period.

- Accounting or auditing services
- Banks and savings and loans
- Computer hardware or software, or computer services or consultants
- Communications equipment or services
- Educational services, supplies and materials

Entities or persons who have filed claims against Albert Einstein Academies or have claims pending against Albert Einstein Academies
Insurance brokers and agencies
Insurance adjusting, claims auditing or administration, or underwriting services
Office equipment or supplies
Personnel and employment companies and services
Printing or reproduction services, publications, and distribution
Securities, investment or financial services companies
Title insurance and escrow

Category 4. Less-Inclusive Reportable Investments

A designated employee in this category shall disclose only investments as defined in Gov. Code § 82034 in any business entity, which within the last two years has contracted with or in the future foreseeably may contract with Albert Einstein Academies to provide personnel, services, supplies, material, machinery or equipment:

(a) to Albert Einstein Academies, of the type utilized by Albert Einstein Academies which is located in or doing business in San Diego County, and associated with the job assignment or position of the designated employee; or

(b) to any entity which has contracted with Albert Einstein Academies within the last two years or which in the future foreseeably may contract with Albert Einstein Academies to provide services, supplies, materials, machinery or equipment associated with the job assignment or position of the designated employee.

Category 5. Less-Inclusive Reportable Income

A designated employee in this category shall disclose only that reportable income as defined in Gov. Code § 82030 which is derived from a source which within the last two years has contracted with Albert Einstein Academies or in the future foreseeably may contract with Albert Einstein Academies to provide personnel, services, supplies, materials, machinery or equipment:

(a) to Albert Einstein Academies, of the type utilized by Albert Einstein Academies which is located in or doing business in San Diego County, and associated with the job assignment or position of the designated employee; or

(b) to any entity which has contracted with the Albert Einstein Academies within the last two years or which in the future foreseeably may contract with Albert Einstein Academies to provide personnel, services, supplies, materials, machinery or equipment associated with the job assignment or position of the designated employee.

Category 6. Business Positions

A designated employee in this category shall disclose by completing Form 700, Schedule "C." A designated employee shall list:

(a) the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management;

(b) a description of the business activity in which the business entity is engaged; and

(c) the designated employee's position with the business entity.

Descriptions of Employees' and Others' Jobs/Duties

Members of the Board of Trustees

Members of the Board of Trustees formulate general policy and programs of Albert Einstein Academies, and each trustee of the Board of Trustees therefore is designated.

President

The President is the chief executive officer of the corporation and has general supervision, direction and control of the business and affairs of the corporation.

School Directors/Principals

An employee of Albert Einstein Academies, the School Director/Principals of the schools have the supervision, direction and control of each school and reports to the President and the Board of Trustees. The Schools Directors/Principals participates in the formulation of the schools' respective curricula and general policy and programs, and implement policy on behalf of the President and Board of Trustees. This employee is therefore designated.

Secretary

The secretary participates in the administrative affairs of Albert Einstein Academies including, without limitation, giving notice of all meetings, preparing and maintaining the minutes of all meetings, and maintaining all administrative corporate records.

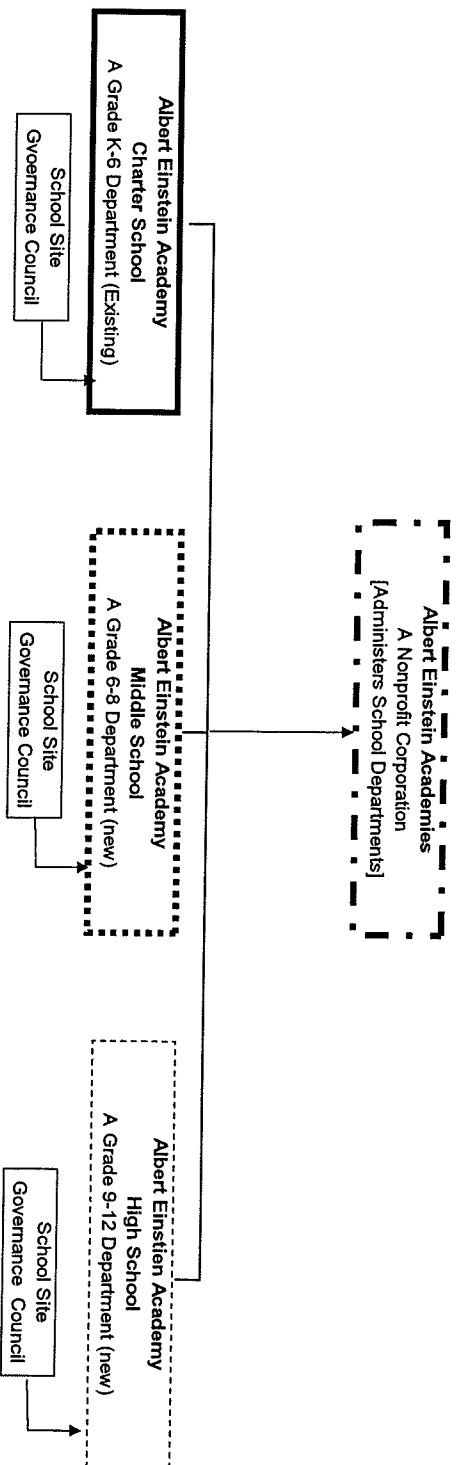
Chief Financial Officer

The Chief Financial Officer participates in the formulation of Albert Einstein Academies' general policies and programs in the areas of finance and general office administration.

General Counsel

General Counsel, currently hired on a contract basis, advises Albert Einstein Academies' on its day-to-day activities, including its relationship with the independent contractors who serve as the staff of Albert Einstein Academies, and compliance with applicable laws and regulations. The General Counsel assists Albert Einstein Academies, on as-needed basis, in the formulation and implementation of the policies and programs of Albert Einstein Academies and therefore is designated.

Albert Einstein Academies Corporate Structure



Key:

New Corporation

Existing Department

New Departments

The Corporate Parent (Albert Einstein Academies):

- Is employer of all faculty and staff
- Hires and values CEO, i.e., Luci Fowers
- Shares cost of CEO and administration with schools (departments)
- Out-sources other administrative needs
- Holds title to real estate and debt
- Constitutes only corporate board and fiscal agent
- Approves larger policies and monitors performance of all departments
- Coordinates fund raising
- Operates with potential to assist or operate other charters
- CEO hires and manages all staff with advise from Councils as delegated by Board
- Existing K-6 Program Housed at the Former Campus of Brooklyn Elementary
- Currently Structured as an "Arm of the District" Charter School

Possible Enterprises

Albert Einstein High School 2009 prepared for future opportunities.

Albert Einstein Middle School Opening Fall of 2006
provide a matriculation path for Albert Einstein Academy graduates,
Each school (department) has its own charter, test scores, cost center and governance council.